

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

**ENBRIDGE ENERGY COMPANY,  
INC. AND ENBRIDGE MIDCOAST  
ENERGY, L.P. f/k/a ENBRIDGE  
MIDCOAST ENERGY, INC.  
f/k/a MIDCOAST ENERGY  
RESOURCES, INC.,**

**Plaintiff**

v. § Civil Action No. H 06-0657

**UNITED STATES OF AMERICA,**

**Defendant**

**Civil Action No. H 06-0657**

**AFFIDAVIT OF KARL S. STERN IN SUPPORT OF PLAINTIFFS' MOTION FOR  
SUMMARY JUDGMENT**

**STATE OF TEXAS**  
**COUNTY OF HARRIS**

BEFORE ME, the undersigned authority, on this day personally appeared Karl S. Stern, who,  
after being duly sworn by me, stated as follows:

1. My name is Karl S. Stern. I am an attorney in the law firm of Vinson & Elkins L.L.P. I am the attorney in charge for Plaintiffs in *Enbridge Energy Company, Inc., et al. v. United States of America*, No. H 06-0657. I am over 21 years of age, and I am in all respects fully competent and able to make this affidavit in support of Plaintiffs' Motion for Summary Judgment. I swear that all statements contained in this affidavit are within my personal knowledge and are true and correct.

2. Attached hereto as Exhibit 1 is a true and correct copy of the stipulation agreement between Plaintiffs and Defendant to the admissibility of certain documents into evidence in this case, dated July 28, 2007.

3. Attached hereto as Exhibit 2 is a true and correct copy of United States of America's Responses to Plaintiff Midcoast's First Set of Interrogatories to Defendant produced by United States of America in this case.

4. Attached hereto as Exhibit 3 is a true and correct copy of excerpts from the transcript of the sworn interview of Ron Chachere which the parties have stipulated can be used as if it were a deposition taken in this case.

5. Attached hereto as Exhibit 4 is a true and correct copy of excerpts from the deposition of Linda Creswell in this case.

6. Attached hereto as Exhibit 5 is a true and correct copy of excerpts from the deposition of Craig Hoffman in this case.

7. Attached hereto as Exhibit 6 is a true and correct copy of excerpts from the deposition of Chris Kaitson in this case.

8. Attached hereto as Exhibit 7 is a true and correct copy of excerpts from the deposition of Steve Korb in this case.

9. Attached hereto as Exhibit 8 is a true and correct copy of excerpts from the deposition of Richard Robert in this case.

10. Attached hereto as Exhibit 9 is a true and correct copy of excerpts from the deposition of Bruce Snyder in this case.

11. Attached hereto as Exhibit 10 is a true and correct copy of excerpts from the transcript of the sworn interview of Dan Tutcher which the parties have stipulated can be used as if it were a deposition taken in this case.

12. Attached hereto as Exhibit 75 is a true and correct copy of excerpts from the deposition of Howard Teig in this case.

13. Attached hereto as Exhibits 11 – 77 are true and correct copies of documents to which the parties have stipulated as to their admissibility in Exhibit 1.

FURTHER AFFIANT SAYETH NOT.

  
KARL S. STERN

SWORN AND SUBSCRIBED BEFORE ME by Karl Stern on this, the 1st day of August, 2007.

  
Notary Public in and for the State of Texas

My commission expires: 2/13/10

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ENBRIDGE ENERGY COMPANY,  
INC. AND ENBRIDGE MIDCOAST  
ENERGY, L.P. f/k/a ENBRIDGE  
MIDCOAST ENERGY, INC.  
f/k/a MIDCOAST ENERGY  
RESOURCES, INC.,  
  
Plaintiff  
  
v.  
  
UNITED STATES OF AMERICA,  
  
Defendant

**EXHIBITS TO THE AFFIDAVIT OF KARL S. STERN**

1. Stipulation agreement between Plaintiffs and Defendant to the admissibility of certain documents into evidence in this case, dated July 28, 2007.
  2. United States of America's Responses to Plaintiff Midcoast's First Set of Interrogatories to Defendant ("US Interrogatory Response")
  3. Ron Chachere Interview Transcript
  4. Linda Creswell Deposition Transcript
  5. Craig Hoffman Deposition Transcript
  6. Chris Kaitson Deposition Transcript
  7. Steve Korb Deposition Transcript
  8. Richard Robert Deposition Transcript
  9. Bruce Snyder Deposition Transcript
  10. Dan C. Tucher Interview
  11. Creswell 4
  12. Creswell 5
  13. Creswell 6

14. Creswell 9
15. Creswell 13
16. Creswell 14
17. Creswell 21
18. Teig 1
19. Government Ex. 1 – See Binder containing Asset Purchase Agreement Closing Binder labeled Government Ex. 1
20. Government Ex. 2 – See Binder containing Stock Purchase Agreement labeled Government Ex. 2
21. Government Ex. 9
22. Government Ex. 9.1
23. Government Ex. 20
24. Government Ex. 26
25. Government Ex. 38
26. Government Ex. 40
27. Government Ex. 51
28. Government Ex. 65
29. Government Ex. 70
30. Government Ex. 90
31. Government Ex. 106
32. Government Ex. 114
33. Government Ex. 140
34. Government Ex. 142
35. Government Ex. 145
36. Government Ex. 150
37. Government Ex. 160

38. Government Ex. 167
39. Government Ex. 176
40. Government Ex. 189
41. Government Ex. 195
42. Government Ex. 241
43. Government Ex. 260
44. Government Ex. 261
45. Government Ex. 262
46. Government Ex. 315
47. Government Ex. 327
48. KPI154-KPI3228
49. 000361-000373
50. 000374-00376
51. KPI3321 - KPI3358
52. MID2.1-274-MID2.1-283
53. ENB002735-ENB002737
54. DOJ035795-DOJ035796
55. ENB00076-ENB00077
56. MID2.1-807-MID2.1-832
57. DOJ031855-DOJ038158
58. 000464 – 000474
59. MID12-1-MID12-134
60. MID10-1-MID10-12
61. KPLB-0171
62. MID6-2 - MID6-30

63. MID6-75 - MID6-97
64. MID6-136 - MID6-154
65. MID6-175 - MID6-189
66. DOJ015596 – DOJ015660
67. MID1.4-1- MID1.4-158
68. DOJ016397-DOJ016422
69. MID1.4-159-MID1.4-319
70. DOJ016481-DOJ016506
71. 001414-001418
72. Letter from Jana Jordan at Enbridge Energy Company, Inc. to Internal Revenue Service enclosing disclosure statement and noting that Form 1120X has been filed to include the disclosure statement, dated January 3, 2003
73. Letter from Jana Jordan of Enbridge Energy Company, Inc. to Internal Revenue Service enclosing check for \$4,505.075.60 for payment of taxes and penalties in response to Notice of Deficiency and noting that such amount is being paid under protest, dated October 11, 2004
74. Official Website of the State of Kansas, Secretary of State, Business Entity Search
75. Howard Teig Deposition Transcript
76. Creswell 11
77. MID2.1-1429-MID2.1-1430